



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**

REGION 6  
1445 ROSS AVENUE, SUITE 1200  
DALLAS, TEXAS 75202-2733

**MAY 26 2011**

**CERTIFIED MAIL - RETURN RECEIPT REQUESTED: 7011 0110 0001 3590 7596**

Mr. John Frick  
Vice-President of Operations  
RAM Energy Resources, Inc.  
Meridian Tower, Suite 650  
5100 East Skelly Drive  
Tulsa, OK 74135

Re: Notice of Proposed Assessment of Class II Civil Penalty  
Docket Number: CWA-06-2011-1710  
Facility Number: TXU010840

Dear Mr. Frick:

Enclosed is an Administrative Complaint (Complaint) issued to RAM Energy Resources, Inc. for violation of Section 301(a) of the Clean Water Act, 33 U.S.C. § 1311(a). Violations were identified as a result of multiple inspections conducted by the Environmental Protection Agency (EPA) at your facilities known as the BA Bywaters Lease and the Bickley Lease, located in Wichita County, Texas. The violations alleged are for the unauthorized discharge of a pollutant, specifically oil field brine and produced wastewater, to waters of the United States.

You, as the representative of RAM Energy Resources, Inc., have the right to request a hearing regarding the violations alleged in the enclosed Complaint and the proposed administrative civil penalty. Please pay particular attention to Section V of the Complaint entitled "Notice of Opportunity to Request a Hearing." Note that should you fail to request a hearing within thirty (30) days of receipt of the Complaint, you will waive your right to such a hearing, and the proposed civil penalty of \$72,800.00 may be assessed against you without further proceedings. You have the right to be represented by an attorney or to represent RAM Energy Resources, Inc., yourself, at any stage of these proceedings.

Whether or not you request a hearing, we invite you to confer informally with the EPA concerning the alleged violations and the amount of the proposed penalty. You may represent RAM Energy Resources, Inc., or be represented by an attorney at any conference, whether in person or by telephone. The EPA encourages all parties against whom it files a Complaint proposing assessment of a penalty to pursue the possibility of settlement as a result of an informal conference.

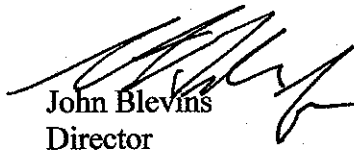
Re: Administrative Complaint  
RAM Energy Resources, Inc.

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Please also find enclosed an "Information Sheet" relating to the Small Business Regulatory Enforcement Fairness Act and a "Notice of Registrant's Duty to Disclose" relating to the disclosure of environmental legal proceedings to the Securities and Exchange Commission.

The EPA is committed to ensuring compliance with the requirements of the National Pollutant Discharge Elimination System program, and my staff will assist you in any way possible. If you have any questions, or wish to discuss the possibility of a settlement of this matter, please contact Mr. Matt Rudolph, of my staff, at (214) 665-6434.

Sincerely,



John Blevins  
Director  
Compliance Assurance and  
Enforcement Division

Enclosure(s)

cc (w/complaint): Regional Hearing Clerk

Mr. Walter Gwyn, District Manager  
Railroad Commission of Texas, District 9  
5800 Kell Blvd.  
Wichita Falls, TX 76310

Mr. Ramon Fernandez, Jr., P.E.  
Deputy Director, Field Operations  
Railroad Commission of Texas, Oil and Gas Division  
P.O. Box 12967  
Austin, TX 78711-2967



**UNITED STATES ENVIRONMENTAL PROTECTION AGENCY**

REGION 6  
1445 ROSS AVENUE, SUITE 1200  
DALLAS, TEXAS 75202-2733

**MAY 26 2011**

Mr. Walter Gwyn, District Manager  
Railroad Commission of Texas, District 9  
5800 Kell Blvd.  
Wichita Falls, TX 76310

Re: Notice of Proposed Administrative Penalty Assessment  
Docket Number CWA-06-2011-1710  
Facility Number TXU010840

Dear Mr. Gwyn:

Enclosed is a copy of the Administrative Complaint (Complaint) which the Environmental Protection Agency (EPA) is issuing to RAM Energy Resources, Inc. (Respondent), pursuant to Section 309(g) of the Clean Water Act (CWA), 33 U.S.C. § 1319(g). EPA is issuing the Complaint to administratively assess a Class II civil penalty of \$72,800.00 against the Respondent for violation of the CWA. Because the violations occurred in the State of Texas, I am offering you an opportunity to confer with us regarding the proposed penalty assessment.

You may request a conference within two weeks of receipt of this letter. The conference may be in person or by telephone and may cover any matters relevant to the proposed penalty assessment. If you wish to request a conference, or if you have any comments or questions regarding the matter, please contact Mr. Matt Rudolph, of my staff, at (214) 665-6434.

Sincerely,

A handwritten signature in black ink, appearing to read "John Blevins", is positioned above the typed name and title.

John Blevins  
Director  
Compliance Assurance and  
Enforcement Division

Enclosure

UNITED STATES  
ENVIRONMENTAL PROTECTION AGENCY  
REGION 6

In the Matter of

RAM Energy Resources, Inc.

Respondent

Facility No. TXU010840

§ Docket No. CWA-06-2011-1710  
§  
§  
§ Proceeding to Assess a Class II  
§ Civil Penalty under Section 309(g)  
§ of the Clean Water Act  
§  
§ ADMINISTRATIVE COMPLAINT  
§

I. Statutory Authority

This Complaint is issued under the authority vested in the Administrator of the United States Environmental Protection Agency ("EPA") by Section 309(g) of the Clean Water Act ("the Act"), 33 U.S.C. § 1319(g). The Administrator of EPA has delegated the authority to issue this Complaint to the Regional Administrator of EPA Region 6, who has further delegated this authority to the Director of the Compliance Assurance and Enforcement Division of EPA Region 6 ("Complainant"). This Class II Administrative Complaint is issued in accordance with, and this action will be conducted under, the "Consolidated Rules of Practice Governing the Administrative Assessment of Civil Penalties and the Revocation/Termination or Suspension of Permits," including rules related to administrative proceedings not governed by Section 554 of the Administrative Procedures Act, 40 C.F.R. §§ 22.50 through 22.52.

Based on the following Findings, Complainant finds that RAM Energy Resources, Inc. ("Respondent") has violated the Act and the regulations promulgated under the Act and should be ordered to pay a civil penalty.

## II. Findings of Fact and Conclusions of Law

1. Respondent is a corporation, which was incorporated under the laws of the State of Delaware, and as such, Respondent is a "person," as that term is defined at Section 502(5) of the Clean Water Act, 33 U.S.C. § 1362(5), and 40 C.F.R. § 122.2.

2. At all times relevant, the Respondent owned or operated oil production leases known as the BA Bywaters Lease and Bickley Lease, located in Wichita County, Texas ("facilities"), and was therefore an "owner or operator" within the meaning of 40 C.F.R. § 122.2.

3. At all relevant times, the facilities were a "point source" of a "discharge" of "pollutants," specifically oil field brine and produced wastewater, to the receiving waters of a tributary of Long Creek, and thence to Long Creek, which is considered a "water of the United States" within the meaning of Section 502 of the Act, 33 U.S.C. § 1362, and 40 C.F.R. § 122.2.

4. Because the Respondent owned or operated facilities which acted as a point source of a discharge of pollutants to waters of the United States, the Respondent and the facilities were subject to the Act and the National Pollutant Discharge Elimination System ("NPDES") program.

5. Under Section 301 of the Act, 33 U.S.C. § 1311, it is unlawful for any person to discharge any pollutant from a point source to waters of the United States, except with the authorization of, and in compliance with, an NPDES permit issued pursuant to Section 402 of the Act, 33 U.S.C. § 1342. According to the NPDES program, the discharge of oil field brine to "waters of the United States" is a non-permitted discharge.

6. On October 31, 2006, the BA Bywaters Lease was inspected by an EPA field inspector. During the inspection, the inspector observed that oil field brine had been discharged from Well No. 192, located at Latitude 34° 3.271' North and Longitude 98° 52.344' West, onto the surrounding area near a tributary of Long Creek. The discharge flowpath of the brine

traveled westward and downhill to a tributary of Long Creek. The inspector determined that the water located in the tributary was contaminated from brine discharges and measured over 80,000 parts-per-million ("ppm") total soluble salts ("TSS").

7. On March 9, 2007, the BA Bywaters Lease was inspected by an EPA field inspector. During the inspection, the inspector observed where the ground located directly adjacent to a tributary of Long Creek at Latitude 34° 3.157' North and Longitude 98° 52.671' West, was saturated and soft with the consistency of quicksand. Fluids appeared to be discharging from this saturated area into the tributary of Long Creek. Water and fluids located in the tributary of Long Creek directly adjacent to this saturated area measured 75,000 ppm TSS. Water located approximately 1,500 feet downstream within the tributary of Long Creek at Latitude 34° 3.362' North and Longitude 98° 52.626' West measured over 80,000 ppm TSS. Water located approximately ¾ mile downstream in Long Creek at Latitude 34° 3.667' North and Longitude 98° 52.348' West measured 27,500 ppm TSS.

8. On April 24, 2007, the BA Bywaters Lease was inspected by an EPA field inspector. During the inspection, the inspector observed an unidentified well discharging brine onto the surrounding area near the tributary of Long Creek. The following fluid measurements were observed in the tributary of Long Creek and in Long Creek at the following locations:

- Latitude 34° 3.356' North and Longitude 98° 52.614' West, measured 65,000 ppm TSS;
- Latitude 34° 3.668' North and Longitude 98° 52.351' West, measured 15,000 ppm TSS;
- Latitude 34° 3.162' North and Longitude 98° 52.676' West, measured 71,000 ppm TSS;
- Latitude 34° 3.095' North and Longitude 98° 52.545' West, measured 28,000 ppm TSS.

9. On January 15, 2008, the BA Bywaters Lease was inspected by an EPA field inspector. The inspector had observed where a pit located on the lease at Latitude 34° 3.134' North and Longitude 98° 52.518' West, discharged brine to a tributary of Long Creek and to Long Creek. The discharge point of entry ("POE") into the tributary of Long Creek was located at Latitude 34° 3.116' North and Longitude 98° 52.552' West. Fluids located in the tributary of Long Creek to the north and down-gradient of the discharge POE, at Latitude 34° 3.131' North

and Longitude 98° 52.576' West, measured over 80,000 ppm TSS. Oil and brine was observed in the tributary of Long Creek and within Long Creek itself for approximately ¾ mile downstream of the discharge POE.

10. On April 9, 2008, the facilities were inspected by an EPA field inspector during a rain event. The inspector observed a sheen in a tributary of Long Creek at Latitude 34° 3.339' North and Longitude 98° 52.592' West and within Long Creek at the Bickley Road bridge. The inspector determined the salt concentration in the tributary of Long Creek and within Long Creek to be 5,000 ppm TSS at both locations.

11. On May 14, 2008, the Bickley Lease was inspected by an EPA field inspector. The inspector observed where a tank located on the lease, at Latitude 34° 3.507' North and Longitude 98° 52.595' West, had overflowed discharging both brine and oil into a tributary of Long Creek and Long Creek. Fluids located in the tributary of Long Creek at or near the discharge POE, at Latitude 34° 3.464' North and Longitude 98° 52.539' West, measured over 80,000 ppm TSS. Brine was observed in Long Creek for several miles downstream of the discharge POE. A fish kill was documented in Long Creek at Latitude 34° 3.464' North and Longitude 98° 52.539' West.

12. On May 13, 2010, the Bickley Lease was inspected by an EPA field inspector. The inspector observed where a tank battery on the Bickley Lease, located at Latitude 34° 3.511' North and Longitude 98° 52.568' West, discharged both brine and oil into Long Creek. Fluids located in the tributary of Long Creek at or near the discharge POE, at Latitude 34° 3.530' North and Longitude 98° 52.540' West, measured 53,000 ppm TSS. Water located further downstream in Long Creek at Latitude 34° 3.680' North and Longitude 98° 52.340' West, measured 17,000 ppm TSS.

13. Each day of unauthorized discharge was a violation of Section 301 of the Act, 33 U.S.C. § 1311.

14. Under Section 309(g)(2)(B) of the Act, 33 U.S.C. § 1319(g)(2)(B), the Respondent is liable for a civil penalty in an amount not to exceed \$16,000 per day for each day during which a violation occurs or continues, up to a maximum of \$177,500.

15. EPA has notified the Railroad Commission of Texas of the issuance of this Complaint and has afforded the State an opportunity to consult with EPA regarding the assessment of an administrative penalty against the Respondent, as required by Section 309(g)(1) of the Act, 33 U.S.C. § 1319(g)(1).

16. EPA has notified the public of the filing of this Complaint and has afforded the public thirty (30) days in which to comment on the Complaint and the proposed penalty as required by Section 309(g)(4)(A) of the Act, 33 U.S.C. § 1319(g)(4)(A). At the expiration of the notice period, EPA will consider any comments filed by the public.

### III. Proposed Penalty

17. Based on the foregoing Findings, and pursuant to the authority of Sections 309(g)(1) and (g)(2)(B) of the Act, 33 U.S.C. §§ 1319(g)(1) and (g)(2)(B), EPA Region 6 hereby proposes to assess against the Respondent a civil penalty of seventy-two thousand eight hundred dollars (\$72,800.00).

18. The proposed penalty amount was determined based on the statutory factors specified in Section 309(g)(3) of the Act, 33 U.S.C. § 1319(g)(3), which includes such factors as the nature, circumstances, extent and gravity of the violation(s), economic benefits, if any, prior history of such violations, if any, degree of culpability, and such matters as justice may require.

19. Complainant has specified that the administrative procedures specified in 40 C.F.R. Part 22, Subpart I, shall apply to this matter, and the administrative proceedings shall not be governed by Section 554 of the Administrative Practice Act.



IV. Failure to File an Answer

20. If the Respondent wishes to deny or explain any material allegation listed in the above Findings or to contest the amount of the penalty proposed, the Respondent must file an Answer to this Complaint within thirty (30) days after service of this Complaint whether or not the Respondent requests a hearing as discussed below.

21. The requirements for such an Answer are set forth at 40 C.F.R. § 22.15 (copy enclosed). Failure to file an Answer to this Complaint within thirty (30) days of service of the Complaint shall constitute an admission of all facts alleged in the Complaint and a waiver of the right to hearing. Failure to deny or contest any individual material allegation contained in the Complaint will constitute an admission as to that finding or conclusion under 40 C.F.R. § 22.15(d).

22. If the Respondent does not file an Answer to this Complaint within thirty (30) days after service, a Default Order may be issued against the Respondent pursuant to 40 C.F.R. § 22.17. A Default Order, if issued, would constitute a finding of liability, and could make the full amount of the penalty proposed in this Complaint due and payable by the Respondent without further proceedings thirty (30) days after a Final Default Order is issued.

23. The Respondent must send its Answer to this Complaint, including any request for Hearing, and all other pleadings to:

Regional Hearing Clerk (6RC-D)  
U.S. EPA, Region 6  
1445 Ross Avenue, Suite 1200  
Dallas, TX 75202-2733

24. The Respondent shall also send a copy of its Answer to this Complaint to the following EPA attorney assigned to this case:

Mr. Russell Murdock (6RC-EW)  
U.S. EPA, Region 6  
1445 Ross Avenue, Suite 1200  
Dallas, TX 75202-2733

25. The Answer must be signed by the Respondent, the Respondent's counsel, or other representative on behalf of the Respondent and must contain all information required by 40 C.F.R. §§ 22.05 and 22.15, including the name, address, and telephone number of the Respondent and the Respondent's counsel. All other pleadings must be similarly signed and filed.

#### V. Notice of Opportunity to Request a Hearing

26. The Respondent may request a hearing to contest any material allegation contained in this Complaint, or to contest the appropriateness of the amount of the proposed penalty, pursuant to Section 309(g) of the Act, 33 U.S.C. § 1319(g). The procedures for hearings are set out at 40 C.F.R. Part 22, including 40 C.F.R. §§ 22.50 through 22.52.

27. Any request for hearing should be included in the Respondent's Answer to this Complaint; however, as discussed above, the Respondent must file an Answer meeting the requirements of 40 C.F.R. § 22.15 in order to preserve the right to a hearing or to pursue other relief.

28. Should a hearing be requested, members of the public who commented on the issuance of the Complaint during the public comment period will have a right to be heard and to present evidence at such hearing under Section 309(g)(4)(B) of the Act, 33 U.S.C. § 1319(g)(4)(B).

#### VI. Settlement

29. EPA encourages all parties against whom civil penalties are proposed to pursue the possibility of settlement through informal meetings with EPA. Regardless of whether a formal hearing is requested, the Respondent may confer informally with EPA about the alleged violations or the amount of the proposed penalty. The Respondent may wish to appear at any informal conference or formal hearing personally, by counsel or other representative, or both.

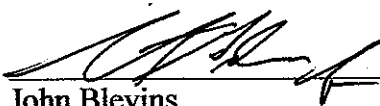
To request an informal conference on the matters described in this Complaint, please contact Mr. Matt Rudolph, of my staff, at (214) 665-6434.

30. If this action is settled without a formal hearing and issuance of an opinion by the Presiding Officer pursuant to 40 C.F.R. § 22.27, this action will be concluded by issuance of a Consent Agreement and Final Order ("CAFO") pursuant to 40 C.F.R. § 22.18(b). The issuance of a CAFO would waive the Respondent's right to a hearing on any matter stipulated therein or alleged in the Complaint. Any person who commented on this Complaint would be notified and given an additional thirty (30) days to petition EPA to set aside any such CAFO and to hold a hearing on the issues raised in the Complaint. Such a petition would be granted and a hearing held only if the evidence presented by the petitioner's comment was material and was not considered by EPA in the issuance of the CAFO.

31. Neither assessment nor payment of a penalty in resolution of this action will affect the Respondent's continuing obligation to comply with all requirements of the Act, the applicable regulations and permits, and any separate Compliance Order issued under Section 309(a) of the Act, 33 U.S.C. § 1319(a), including one relating to the violations alleged herein.

MAY 26 2011

Date

  
John Blevins  
Director  
Compliance Assurance and  
Enforcement Division

CERTIFICATE OF SERVICE

I certify that the foregoing Class II Administrative Complaint was sent to the following persons, in the manner specified, on the date below:

Original hand-delivered:      Regional Hearing Clerk (6RC-D)  
U.S. EPA, Region 6  
1445 Ross Avenue, Suite 1200  
Dallas, TX 75202-2733

Copy by certified mail,  
return receipt requested:      Mr. John Frick  
Vice-President of Operations  
RAM Energy Resources, Inc.  
Meridian Tower, Suite 650  
5100 East Skelly Dr.  
Tulsa, OK 74135

Copy by mail:                      Mr. Walter Gwyn, District Manager  
Railroad Commission of Texas, District 9  
5800 Kell Blvd.  
Wichita Falls, TX 76310

Mr. Ramon Fernandez, Jr., P.E.  
Assistant Director, Field Operations  
Railroad Commission of Texas, Oil and Gas Division  
P.O. Box 12967  
Austin, TX 78711-2967

Copy hand-delivered:              Mr. Russell Murdock (6RC-EW)  
U.S. EPA, Region 6  
1445 Ross Avenue, Suite 1200  
Dallas, TX 75202-2733

Dated: \_\_\_\_\_